



U.S. Immigration
and Customs
Enforcement



United States Attorney's Office
District of Arizona

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SCOTTSDALE WOMAN SENTENCED FOR ROLE IN MULTI-MILLION DOLLAR INVESTMENT SCAM

PHOENIX – A woman who pleaded guilty to wire fraud charges in connection with an investigation by U.S. Immigration and Customs Enforcement (ICE) into a scam that bilked unwitting investors out of more than \$13 million has been sentenced to 30 months in prison.

Sherry Stewart, 64, of Scottsdale, was sentenced May 5, 2006 by U.S. District Judge Neil Wake. The indictment alleged that Stewart convinced nine client-investors that she was managing “high-yield investment programs” and “managed trade programs” that combined high-market returns with low risk using the sale of bank instruments.

To persuade potential investors to participate, Stewart claimed her schemes were sponsored by the Federal Reserve. She also told prospective clients that federal compliance officers audited the transactions and the invested funds would be deposited into Federal Reserve accounts with firms “licensed by the Securities Exchange Commission.”

After obtaining investors’ funds, the indictment alleged that Stewart used at least \$4.8 million to buy a \$3.8 million home in Paradise Valley and artwork from Scottsdale galleries valued at more than \$455,000.

“Investors should be cautious of claims of an extremely high rate of return on their investment,” stated U.S. Attorney Paul K. Charlton. “And those who conspire to defraud such investors should know that they will be held accountable.”

“These con artists in these kinds of schemes are very believable. They pass themselves off as trustworthy, and are persistent until they get as much money as possible from their victims,” said Roberto G. Medina, special agent in charge of the ICE office of investigations in Arizona. “ICE is doing everything it can to stop this kind of fraud, but the first line of defense is for people to be suspicious when they’re told about an investment that sounds too good to be true.”

In sentencing Stewart, Judge Wake ordered her to serve an additional 36 months of supervised release following her incarceration, and to begin making restitution payments to the victims as soon as she comes into federal custody August 5, 2006. Restitution totaled \$4,516,527.32 .

The prosecution was handled by Michelle Hamilton-Burns, Assistant U.S. Attorney, District of Arizona, Phoenix.

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